

**UNIFIED SCHOOL DISTRICT NUMBER 367**  
Osawatomie, Kansas

FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2015

**Unified School District 367**  
**Osawatomie, Kansas**

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Year ended June 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District Number 367  
Osawatomie, Kansas

### Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 367, Osawatomie, Kansas, as of and for the year ended June 30, 2015 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note C of the financial statement, the financial statement is prepared by the Unified School District Number 367, Osawatomie, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### *Adverse Opinion on U.S. Generally Accepted accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial



position of Unified School District Number 367, Osawatomie, Kansas as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

#### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 367, Osawatomie, Kansas as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended, in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

#### **Other Matters**

##### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedule of regulatory basis receipts and expenditures-district activity funds (Schedule 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* and is also not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

##### ***Other reporting required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

##### ***Prior Year Comparative***

The 2014 Actual column presented in the individual fund schedule of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we have rendered an unmodified opinion dated December 1, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting describe in Note C.

*Opfer & Sheddert, Chartered*

Ottawa, Kansas  
December 1, 2015

**Unified School District Number 367**  
**Osawatomie, Kansas**

SUMMARY OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For Year Ended June 30, 2015

	<u>Beginning Unencumbered Cash Balances</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>
<b>Governmental type funds</b>			
<b>General Funds</b>			
General	\$ 0	\$ 0	\$ 9,060,531
Supplemental general	60,147	0	2,908,974
<b>Special Purpose Funds</b>			
Adult education	0	0	75,729
Adult Supplementary Education	88,268	0	485,230
At risk - 4 year old	0	0	45,609
At risk - K-12	0	0	1,550,000
Capital outlay	654,512	0	719,469
Driver training	16,795	0	17,046
Food service	18,104	0	845,091
Professional development	8,281	0	26,343
Parent education program	0	0	19,755
Special education	188,964	0	2,661,352
KPERS special retirement contribution	0	0	679,311
Vocational education program	0	0	206,459
Gifts & grants	65,038	0	227,613
Carl Perkins grant	0	0	11,305
Contingency reserve	155,123	0	62,154
Textbook & student materials	10,290	0	45,286
Title I	0	0	309,660
Title II A - teacher quality	0	0	62,859
Fees and user charges	35	0	63,954
Gate receipts	0	0	35,336
<b>Bond &amp; Interest Fund</b>			
Bond and interest	678,148	0	1,447,331
<b>Capital Projects Fund</b>			
Construction	158,652	0	87
<b>Business Fund</b>			
Health Insurance	136,084	0	934,354
<b>Trust Funds</b>			
Expendable Scholarship & other trusts	202,572	0	14,505
Permanent Scholarship & other trusts	1,241,989	0	108,703
<b>Total reporting entity (excluding agency funds)</b>	<u>\$ 3,683,002</u>	<u>\$ 0</u>	<u>\$ 22,624,046</u>

**Composition of ending cash**

**Demand Deposits and Money Markets**

First Option Bank - money market	\$ 1,638,493
First Option Bank - checking	(288,128)
Landmark Bank - money market	86,193
Landmark Bank - checking	31,021

**Composition of ending cash - continued**

**Time Deposits**

S II Investments	\$ 123,486
Edward Jones	85,005
First Option Bank	215,476
Landmark Bank	112,588

The accompanying notes are an integral part of this statement.

**Statement 1**

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 9,060,531	\$ 0	\$ 0	\$ 0
2,968,877	244	1,589	1,833
75,729	0	0	0
525,650	47,848	9,557	57,405
45,609	0	0	0
1,550,000	0	0	0
782,448	591,533	189,437	780,970
17,395	16,446	0	16,446
854,961	8,234	0	8,234
20,757	13,867	105	13,972
19,755	0	0	0
2,646,807	203,509	0	203,509
679,311	0	0	0
206,459	0	0	0
220,726	71,925	398	72,323
11,305	0	0	0
17,277	200,000	0	200,000
53,383	2,193	0	2,193
309,660	0	0	0
62,859	0	0	0
63,953	36	0	36
35,336	0	0	0
1,413,730	711,749	0	711,749
158,739	0	0	0
701,011	369,427	21,027	390,454
11,100	205,977	0	205,977
36,824	1,313,868	0	1,313,868
<u>\$ 22,550,192</u>	<u>\$ 3,756,856</u>	<u>\$ 222,113</u>	<u>\$ 3,978,969</u>

**Composition of ending cash - continued****Governmental investments**

Edward Jones	\$ 715,967
S II Investments	1,383,644

**Total cash**

and investments	\$ 4,103,745
Less Agency funds	
Per Schedule 3	124,776
	<u>\$ 3,978,969</u>

The accompanying notes are an integral part of this statement.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE A. MUNICIPAL REPORTING ENTITY**

Unified School District Number 367 is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

**NOTE B. REGULATORY BASIS FUND TYPES**

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potential could have the following types of funds.

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Fund** – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

**Trust fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency fund** – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**NOTE C. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Unified School District Number 367, Osawatomie, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE D. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were budget amendments to General Fund and At-Risk (K-12) Fund during the year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital projects fund, business fund and trust funds:

Gifts & Grants	Carl Perkins	Contingency Reserve	Textbook & student materials
Title I	Title IIA – teacher quality	Health Insurance	Construction

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

**NOTE E. DEPOSITS AND INVESTMENTS**

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the District or in an adjoining District if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds.



**Unified School District Number 367**  
**Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT**  
June 30, 2015

**NOTE E. DEPOSITS AND INVESTMENTS – Continued**

In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District rates investments (if any) as noted.

*Concentration of credit risk* - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2015.

At June 30, 2015, the carrying amount of the District's bank deposits was \$1,908,174 and the bank balance was \$1,753,613. The difference between carrying amounts and bank balances are outstanding deposits and checks. The bank balance was held by three banks reducing concentration risk. Of the bank balance, \$603,288 was covered by federal depository insurance, and \$1,150,325 was collateralized with securities held by the pledging financial institution's agents in the District's name.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The rating of the District's investments is noted below. Fair values are based upon quoted market values as of June 30, 2015. As of June 30, 2015, the District had the following investments and maturities.

Investment Type	Cost	Fair Value	Investment Maturities (in Years)		Rating
			1-2	2+	
Edward Jones					
Fixed Income Investments	\$ 715,967	\$ 703,825	\$ 0	\$ 703,825	Aaa
S II Investments					
Fixed Income Investments	<u>1,383,644</u>	<u>1,347,758</u>	<u>75,588</u>	<u>1,272,170</u>	Aaa
Total	\$ <u>2,099,611</u>	\$ <u>2,051,583</u>	\$ <u>75,588</u>	\$ <u>1,975,995</u>	
Unrealized gain (loss)					
= fair value – cost	\$ <u>(48,028)</u>				

**Interest Rate Risk** – Per Kansas statutes, maturities of investments shall not exceed two years. A majority of the District's investment maturities are greater than 5 years.

**Concentration of credit risk** - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2015, is as follows:

**Unified School District Number 367  
Osawatimie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE E. DEPOSITS AND INVESTMENTS – Continued**

<u>Investments</u>	<u>Percentage of Investments</u>
Edward Jones	35%
S II Investments	65%

**NOTE F. LONG-TERM DEBT**

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
<b>General Obligation Bonds:</b>				
Series 2005 A	3.40% to 5.00%	04/14/05	9,950,000	09/01/2025
Refunding Series 2005 B	5.25%	04/14/05	580,000	09/01/2017
Refunding Series 2008 A	3.40% to 5.00%	07/01/08	9,950,000	09/01/2016
Refunding Series 2012 A	3.00% to 3.50%	03/15/12	4,475,000	09/01/2025
Series 2013 A	2.00% to 5.00%	07/16/13	4,015,000	09/01/2028
<b>Capital Leases:</b>				
Buses	3.75%	07/01/2009	270,136	07/15/2014
Equinox	0.50%	05/14/2013	46,002	05/01/2015
Laptops	3.30%	07/09/2012	127,735	07/15/2015
Ozone Equipment	3.25%	5/19/2014	86,800	6/1/2019
Skid Loader		4/23/2015	47,373	4/23/2019
Special Ed Bus	3.15%	8/11/2014	146,406	8/15/2017
Passenger Bus	3.15%	9/12/2014	160,058	7/15/2017

<u>Issue</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Expense</u>
<b>G. O. Bonds:</b>						
Series 2005 A	\$ 450,000	\$ 0	\$ 150,000	\$ (150,000)	\$ 300,000	\$ 44,845
Refunding Series 2005 B	580,000	0	0	0	580,000	30,450
Refunding Series 2008 A	1,820,000	0	590,000	(590,000)	1,230,000	52,038
Refunding Series 2012 A	9,515,000	0	190,000	(190,000)	9,325,000	195,093
Series 2013 A	4,015,000	0	15,000	(15,000)	4,000,000	176,150
<b>G. O. Bonds Subtotal</b>	<b>16,380,000</b>	<b>0</b>	<b>945,000</b>	<b>(945,000)</b>	<b>15,435,000</b>	<b>498,576</b>
<b>Capital Leases:</b>						
Buses	58,218	0	58,218	(58,218)	0	1,831
Equinox	15,342	0	15,342	(15,342)	0	517
Laptops	86,532	0	86,532	(86,532)	0	3,959
Ozone Equipment	85,564	0	14,919	(14,919)	70,645	2,385
Skid Loader	0	47,350	9,470	37,880	37,880	1,328
Special Ed. Bus	0	146,406	47,245	99,161	99,161	4,727
Passenger Bus	0	160,058	52,230	107,828	107,828	4,286
<b>Capital lease Subtotal</b>	<b>245,656</b>	<b>353,814</b>	<b>283,956</b>	<b>69,858</b>	<b>315,514</b>	<b>19,033</b>
<b>Total Long-Term Debt</b>	<b>\$ 16,625,656</b>	<b>\$ 353,814</b>	<b>\$ 1,228,956</b>	<b>\$ (875,142)</b>	<b>\$ 15,750,514</b>	<b>\$ 517,609</b>

**Unified School District Number 367**  
**Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT**  
June 30, 2015

**NOTE F. LONG-TERM DEBT - continued**

Debt maturities are as follows:

	June 30,				
	2016	2017	2018	2019	2020
Principal					
G. O. bonds	\$ 970,000	\$ 1,010,000	\$ 1,040,000	\$ 1,075,000	\$ 1,095,000
Capital leases	<u>128,124</u>	<u>131,962</u>	<u>27,413</u>	<u>28,014</u>	<u>0</u>
Total principal	<u>1,098,124</u>	<u>1,141,962</u>	<u>1,067,413</u>	<u>1,103,014</u>	<u>1,095,000</u>
Interest					
G. O. bonds	468,537	438,813	370,817	340,243	318,542
Capital leases	<u>10,038</u>	<u>6,201</u>	<u>2,261</u>	<u>1,661</u>	<u>0</u>
Total interest	<u>478,575</u>	<u>445,014</u>	<u>373,078</u>	<u>341,904</u>	<u>318,542</u>
Total principal & interest	<u>\$ 1,576,699</u>	<u>\$ 1,586,976</u>	<u>\$ 1,440,492</u>	<u>\$ 1,444,918</u>	<u>\$ 1,413,542</u>

	June 30,		
	2021-2025	2026-2030	Total
Principal			
G. O. bonds	\$ 5,810,000	\$ 4,435,000	\$ 15,435,000
Capital leases	<u>0</u>	<u>0</u>	<u>315,514</u>
Total principal	<u>5,810,000</u>	<u>4,435,000</u>	<u>15,750,514</u>
Interest			
G. O. bonds	1,249,175	419,144	3,605,271
Capital leases	<u>0</u>	<u>0</u>	<u>20,162</u>
Total interest	<u>1,249,175</u>	<u>419,144</u>	<u>3,625,433</u>
Total principal & interest	<u>\$ 7,059,175</u>	<u>\$ 4,854,144</u>	<u>\$ 19,375,946</u>

The District is subject to statutes of the State of Kansas, which limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2015 the statutory limit for the District was \$6,070,063. The District currently exceeds this limit by \$9,364,937. The Kansas State Board of Education has granted a waiver from K.S.A. 79-5037 which allows the District to exceed its debt margin.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE F. LONG-TERM DEBT – continued**

**Defeasance of Debt**

The District has defeased certain outstanding debt obligations by placing the proceeds of bonds in a trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and the defeased bonds are not included in the District's financial statements. On June 30, 2015, the following outstanding bonds are considered defeased:

General Obligation Bond Series 2005 A	\$9,200,000
---------------------------------------	-------------

**Operating Leases**

The District has entered into operating lease agreements for the use of a Xerox machine, Mail and postage machine, and an ice machine as allowed by state law.

Rental expense under these operating lease was as follows for the year ended June 30, 2015.

<u>Lease Description</u>	<u>Amount</u>
Xerox Machine	\$ 26,850
Mail Machine	4,020
Ice Machine	2,520
Postage Machine	<u>978</u>
Total	\$ <u>34,368</u>

Future lease obligations are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 30,870
2017	10,733
2018	4,020
2019	<u>4,020</u>
Total	\$ <u>49,643</u>

**NOTE G. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$647,221 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE H. INTERFUND TRANSFERS**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At-Risk 4 yr old	K.S.A. 72-6428	45,609
General Fund	At-Risk K-12	K.S.A. 72-6428	1,550,000
General Fund	Capital Outlay	K.S.A. 72-6428	28,787
General Fund	Food Service	K.S.A. 72-6428	616
General Fund	Special Education	K.S.A. 72-6428	1,637,664
General Fund	Vocational Education	K.S.A. 72-6428	140,000
General Fund	Contingency Reserve	K.S.A. 72-6428	62,154
Supplemental General	Professional Development	K.S.A. 72-6433	26,342
Supplemental General	Parent Education	K.S.A. 72-6433	19,755
Supplemental General	Special Education	K.S.A. 72-6433	826,688
Supplemental General	Vocational Education	K.S.A. 72-6433	61,922
Contingency Reserve	Supplemental General	K.S.A. 72-6433	17,277

**NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

**Health Insurance**

During the year ended June 30, 2015, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2013. There are currently two plans employees can choose from. The District's contribution per employee is \$479 or \$481 per month for a single policy, \$645 or \$650 per month for employee plus spouse, \$634 or \$638 per month for employee plus child, and \$740 or \$747 per month for a family policy. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrator acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Coventry, a commercial insurer licensed or eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$75,000 and with aggregate stop-loss insurance at 115% of annualized expected claims.

*Incurred but not reported claims:* Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	Balance July 1, 2014		Claims		Payments		Balance June 30, 2015
Incurred but not reported claims	\$ 33,820	\$	679,984	\$	692,777	\$	21,027

**Other Post Employment Benefits:** The District makes available to qualified retired employees an employer-sponsored group health care benefit plan upon written application filed with the Clerk of the District. The District payment toward the group health insurance cost for the retiree equals the amount paid on behalf of full time teachers of the District. Participation in the Retiree Group Health Insurance Plan is voluntary. The amount paid by the District for year ended June 30, 2015 was \$21,101.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued**

**Health Insurance - continued**

**Other Post Employment Benefits:** As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**Flexible Benefit Plan:** The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently benefits offered through the Plan involve insurance coverage.

**Compensated Absences:** All full-time non-certified personnel receive five days vacation after a year of service and an additional day thereafter for each year of service with a maximum accumulation of 20 days. Upon retirement or leaving the District, the accumulated vacation pay is payable. At June 30, 2015, the District has not estimated the cost of accumulated vacation pay. The District's policy regarding sick pay permits employees to accumulate sick leave at the rate of one sick day per month up to a total accumulation of 150 days. An employee shall be paid \$50 per day for every sick day over 40 that he has accumulated at retirement. The cost of accumulated sick pay is not recorded at the time the benefits are accumulated. At June 30, 2015, the District has not estimated the cost of accumulated sick pay.

As of June 30, 2015, the estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

**NOTE J. DEFINED BENEFIT PENSION PLAN**

**Plan description** - The Unified School District Number 367, Kansas participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

**Funding policy** - KSA 74-4919 and K.S.A. 74-49210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members until January 1, 2015 when the rate increased to 6% and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provision of Section 414(h) of the Internal Revenue Code.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2015**

**NOTE J. DEFINED BENEFIT PENSION PLAN - continued**

*Net Pension Liability* - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability as of June 30, 2014 to be \$9,632,776. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

**NOTE K. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

**NOTE L. OTHER INFORMATION**

*Reimbursed Expenses:* The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

*Ad valorem tax revenues:* The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the District by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

*Contingencies:* The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions which are specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2015.

*Compliance with Kansas Statutes:* Management is aware of no statutory violations for the period covered by the audit.

*Rental Agreements:* The District also rents space to Head Start at the rate of \$450 per month on a month to month basis. Rental income for the year was \$4,500 for this lease.

**NOTE M. RECLASSIFICATIONS**

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported cash balances.

**NOTE N. SUBSEQUENT EVENTS**

*Subsequent Events:* The District evaluated subsequent events through December 1, 2015, the date the financial statements were available to be issued. After June 30, 2015, the District entered into a debt agreement for \$1,500,000 to build a swimming pool.

**REGULATORY BASIS  
SUPPLEMENTARY INFORMATION**



**Unified School District Number 367**  
**Osawatomie, Kansas**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
BUDGETED FUNDS ONLY  
For Year Ended June 30, 2015

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Budget Credits</u>
<b>General Funds</b>			
General	\$ 8,948,966	\$ (50,846)	\$ 162,411
Supplemental general	2,968,877	0	0
<b>Special Purpose Funds</b>			
Adult education	89,100	0	0
Adult Supplementary	574,500	0	0
At risk - 4 year old	65,000	0	0
At risk - K-12	1,550,000	0	0
Capital outlay	800,000	0	0
Driver training	26,300	0	0
Food service	898,113	0	0
Professional development	38,281	0	0
Parent education program	25,000	0	0
Special education	2,904,433	0	0
KPERS special retirement contribution	841,550	0	0
Vocational education	279,505	0	0
<b>Bond and Interest Funds</b>			
Bond and interest	1,413,730	0	0
	<u>\$ 21,423,355</u>	<u>\$ (50,846)</u>	<u>\$ 162,411</u>

See Independent Auditor's Report.

Schedule 1

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 9,060,531	\$ 9,060,531	\$ 0
2,968,877	2,968,877	0
89,100	75,729	(13,371)
574,500	525,650	(48,850)
65,000	45,609	(19,391)
1,550,000	1,550,000	0
800,000	782,448	(17,552)
26,300	17,395	(8,905)
898,113	854,961	(43,152)
38,281	20,757	(17,524)
25,000	19,755	(5,245)
2,904,433	2,646,807	(257,626)
841,550	679,311	(162,239)
279,505	206,459	(73,046)
<u>1,413,730</u>	<u>1,413,730</u>	<u>0</u>
\$ <u>21,534,920</u>	\$ <u>20,868,018</u>	\$ <u>(666,902)</u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2a**

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 723,914	\$ 0	\$ 0	\$ 0
Delinquent	25,405	0	0	0
Other	0	1,716	0	1,716
Reimbursed expenses	181,711	162,411	0	162,411
<b>State sources</b>				
Equalization aid	6,233,305	7,213,116	7,231,695	(18,579)
Special education aid	1,703,154	1,683,288	1,717,271	(33,983)
<b>Total cash receipts</b>	<u>8,867,489</u>	<u>9,060,531</u>	<u>\$ 8,948,966</u>	<u>\$ 111,565</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	2,163,526	2,354,720	\$ 2,445,600	\$ (90,880)
Employee benefits	610,666	702,272	639,500	62,772
Other purchased services	237	499	0	499
Supplies	94,236	105,598	140,000	(34,402)
Other	0	0	25,000	(25,000)
<b>Student support services</b>				
Salaries	150,200	154,192	155,200	(1,008)
Employee benefits	35,880	39,866	38,500	1,366
Supplies	2,760	2,325	5,000	(2,675)
<b>Instruction support staff</b>				
Salaries	121,423	207,858	128,500	79,358
Employee benefits	31,794	34,017	33,700	317
Supplies	13,187	12,739	12,000	739
<b>General administration</b>				
Salaries	285,703	291,012	293,700	(2,688)
Employee benefits	123,356	131,908	50,500	81,408
Purchased professional services	120,286	124,424	134,267	(9,843)
Other purchased services	149,122	153,724	268,000	(114,276)
Supplies	2,429	3,254	2,000	1,254
<b>School administration</b>				
Salaries	589,965	586,278	602,500	(16,222)
Employee benefits	93,855	105,529	99,100	6,429
Supplies	3,149	5,542	5,000	542
<b>Operations and maintenance</b>				
Purchased property services	70,384	63,024	0	63,024

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2a**

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Expenditures (continued)</b>				
<b>Other support services</b>				
Salaries	\$ 104,868	\$ 107,250	\$ 108,000	\$ (750)
Employee benefits	13,086	19,058	14,000	5,058
Other purchased services	490	345	532	(187)
Supplies	1,015	1,691	1,000	691
<b>Student activities</b>	319,520	388,576	0	388,576
<b>Operating transfers</b>				
Special education	1,924,570	1,637,664	1,882,367	(244,703)
At Risk (K-12)	1,500,000	1,550,000	1,550,000	0
At Risk (4 yr old)	65,000	45,609	65,000	(19,391)
Capital outlay	65,772	28,787	0	28,787
Contingency Reserve	0	62,154	0	62,154
Food Service	0	616	0	616
Vocational education	211,010	140,000	250,000	(110,000)
<b>Adjustment to comply with</b>				
<b>legal maximum</b>	0	0	(50,846)	50,846
<b>Legal general fund budget &amp; expenditures</b>	8,867,489	9,060,531	8,898,120	162,411
<b>Adjustments for qualifying</b>				
<b>budget credits</b>	0	0	162,411	(162,411)
<b>Total expenditures</b>	<u>8,867,489</u>	<u>9,060,531</u>	<u>\$ 9,060,531</u>	<u>\$ 0</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash (deficit), July 1	<u>0</u>	<u>0</u>		
Unencumbered cash (deficit), June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatimie, Kansas**

Schedule 2b

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance Over (Under)</b>
	<b>2014 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 1,079,442	\$ 746,202	\$ 56,395	\$ 689,807
Delinquent	34,597	35,578	17,079	18,499
<b>County sources</b>				
Motor vehicle	126,913	148,190	135,492	12,698
<b>State sources</b>				
Supplemental State Aid	1,215,954	1,961,727	2,073,599	(111,872)
<b>Operating transfers</b>				
General	0	17,277	0	17,277
Total cash receipts	<u>2,456,906</u>	<u>2,908,974</u>	<u>\$ 2,282,565</u>	<u>\$ 626,409</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Property	124,196	194,642	\$ 125,000	\$ 69,642
<b>Student support services</b>				
Purchased professional services	0	563	0	563
<b>General administration</b>				
Purchased professional services	3,941	78,479	3,500	74,979
Purchased property services	0	0	2,000	(2,000)
<b>Operations and maintenance</b>				
Salaries	372,712	398,775	383,892	14,883
Employee benefits	82,926	90,860	87,500	3,360
Purchased professional services	73,050	190,911	80,000	110,911
Purchased property services	75,547	83,636	102,000	(18,364)
Supplies	134,539	159,731	150,000	9,731
Energy	515,658	501,883	600,000	(98,117)
<b>Student transportation services</b>				
Supervisor salaries	47,300	48,300	48,720	(420)
Equipment	0	0	5,000	(5,000)
<b>Vehicle operating services</b>				
Salaries	131,247	144,761	140,000	4,761
Supplies	12,713	21,127	0	21,127
Motor fuel	16,759	25,718	30,000	(4,282)
Equipment	2,060	60,333	61,000	(667)
<b>Vehicle services &amp; maintenance services</b>				
Purchased professional services	2,343	4,718	29,465	(24,747)
Supplies	20,371	29,732	0	29,732

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

Schedule 2b

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
<b>Expenditures (continued)</b>				
<b>Other supplemental services</b>				
Community services operations	\$ 0	\$ 0	\$ 5,800	\$ (5,800)
<b>Operating transfers</b>				
Special education	749,383	826,688	1,000,000	(173,312)
Parent education program	19,755	19,755	25,000	(5,245)
Professional development	15,500	26,343	30,000	(3,657)
Vocational education	0	61,922	0	61,922
Food service	0	0	60,000	(60,000)
<b>Total expenditures</b>	<u>2,400,000</u>	<u>2,968,877</u>	<u>\$ 2,968,877</u>	<u>\$ 0</u>
Receipts over (under) expenditures	56,906	(59,903)		
Unencumbered cash, July 1	<u>3,241</u>	<u>60,147</u>		
Unencumbered cash, June 30	<u>\$ 60,147</u>	<u>\$ 244</u>		

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2c**

SPECIAL PURPOSE FUNDS  
ADULT EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
State sources				
Adult basic aid	\$ 79,832	\$ 75,729	\$ 89,100	\$ (13,371)
Total cash receipts	<u>79,832</u>	<u>75,729</u>	<u>89,100</u>	<u>(13,371)</u>
<b>Expenditures</b>				
Instruction				
Salaries	33,685	34,382	\$ 35,500	\$ (1,118)
Employee benefits	14,519	15,495	16,600	(1,105)
Other purchased services	1,525	735	2,000	(1,265)
Supplies	218	0	500	(500)
Student support services				
Salaries	28,544	24,487	32,000	(7,513)
Supplies	1,341	630	1,500	(870)
Operations and maintenance				
Supplies	<u>228</u>	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
Total expenditures	<u>80,060</u>	<u>75,729</u>	<u>89,100</u>	<u>(13,371)</u>
Receipts over (under) expenditures	(228)	0		
Unencumbered cash, July 1	<u>228</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2d**

SPECIAL PURPOSE FUNDS  
ADULT SUPPLEMENTARY EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2015

(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance Over Under</b>	
	<b>2014 Actual</b>	<b>Actual</b>	<b>Budget</b>		
<b>Cash Receipts</b>					
<b>Local sources</b>					
Tuition and program fees	\$ 464,480	\$ 463,992	\$ 480,000	\$ (16,008)	
Miscellaneous	9,119	21,238	22,000	(762)	
<b>State sources</b>					
Adult basic aid	5,261	0	0	0	
<b>Total cash receipts</b>	<u>478,860</u>	<u>485,230</u>	<u>\$ 502,000</u>	<u>\$ (16,770)</u>	
<b>Expenditures</b>					
<b>Instruction</b>					
Salaries	152,427	149,010	\$ 156,900	\$ (7,890)	
Purchased professional and technical	46,611	53,436	52,500	936	
Other purchased services	3,497	6,923	2,000	4,923	
Supplies	10,091	43,100	30,000	13,100	
Property	0	0	10,000	(10,000)	
Other	0	0	50,000	(50,000)	
<b>Student support services</b>					
Salaries	119,975	113,607	125,500	(11,893)	
Employee benefits	43,704	48,042	47,000	1,042	
Other purchased services	2,905	2,748	10,000	(7,252)	
Supplies	12,063	15,299	25,000	(9,701)	
Property	0	0	500	(500)	
<b>Instructional Support Staff</b>					
Salaries	118,720	93,485	65,000	28,485	
Employee benefits	54	0	100	(100)	
<b>Total expenditures</b>	<u>510,047</u>	<u>525,650</u>	<u>\$ 574,500</u>	<u>\$ (48,850)</u>	
Receipts over (under) expenditures	(31,187)	(40,420)			
Unencumbered cash, July 1	<u>119,455</u>	<u>88,268</u>			
Unencumbered cash, June 30	<u>\$ 88,268</u>	<u>\$ 47,848</u>			

See Independent Auditor's Report.



**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2c**

SPECIAL PURPOSE FUNDS  
AT RISK - 4 YEAR OLD FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		
	<b>2014</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Operating transfers</b>				
General	\$ 65,000	\$ 45,609	\$ 65,000	\$ (19,391)
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	60,218	42,720	\$ 60,000	\$ (17,280)
Employee benefits	4,782	2,889	5,000	(2,111)
Total expenditures	65,000	45,609	\$ 65,000	\$ (19,391)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

Schedule 2f

SPECIAL PURPOSE FUNDS

AT RISK - K-12 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For Year Ended June 30, 2015

(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Operating transfers</b>				
General	\$ 1,500,000	\$ 1,550,000	\$ 1,550,000	\$ 0
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	1,412,401	1,346,359	\$ 1,350,500	\$ (4,141)
Employee Benefits	83,365	83,861	89,500	(5,639)
Supplies	4,234	74,639	100,000	(25,361)
Property	0	45,141	10,000	35,141
<b>Total expenditures</b>	<u>1,500,000</u>	<u>1,550,000</u>	<u>\$ 1,550,000</u>	<u>\$ 0</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2g**

SPECIAL PURPOSE FUNDS  
CAPITAL OUTLAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad Valorem property	\$ 8	\$ 316,980	\$ 344,710	\$ (27,730)
Delinquent	0	783	0	783
Idle Funds Interest	4,893	80,919	10,000	70,919
Other Revenue	91,577	158,845	0	158,845
<b>State sources</b>				
State aid	0	133,156	186,143	(52,987)
<b>Operating transfers</b>				
General	65,772	28,786	0	28,786
<b>Total cash receipts</b>	<u>162,250</u>	<u>719,469</u>	<u>\$ 540,853</u>	<u>\$ 178,616</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Property	87,240	182,177	\$ 150,000	\$ 32,177
<b>Student support services</b>				
Property	36,000	248,330	50,000	198,330
<b>Instructional support</b>				
Property	0	0	150,000	(150,000)
<b>Operations and maintenance</b>				
Property	7,090	33,003	300,000	(266,997)
<b>Transportation</b>				
Property	0	0	150,000	(150,000)
<b>Other Support Services</b>				
Equipment	0	11,810	0	11,810
<b>Facility acquisition &amp; construction</b>				
Site improvement	35,989	307,128	0	307,128
<b>Total expenditures</b>	<u>166,319</u>	<u>782,448</u>	<u>\$ 800,000</u>	<u>\$ (17,552)</u>
Receipts over (under) expenditures	(4,069)	(62,979)		
Unencumbered cash, July 1	<u>658,581</u>	<u>654,512</u>		
Unencumbered cash, June 30	<u>\$ 654,512</u>	<u>\$ 591,533</u>		

See Independent Auditor's Report.

**Unified School District Number 367****Osawatomie, Kansas****Schedule 2h****SPECIAL PURPOSE FUNDS****DRIVER TRAINING FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS**

For Year Ended June 30, 2015

(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<b>2014 Actual</b>	<b>2015</b>		<b>Variance Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts</b>				
<b>Local sources</b>				
Other Revenue	\$ 10,856	\$ 10,350	\$ 12,000	\$ (1,650)
<b>State sources</b>				
State safety aid	5,780	6,696	7,140	(444)
<b>Total cash receipts</b>	<u>16,636</u>	<u>17,046</u>	<u>\$ 19,140</u>	<u>\$ (2,094)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	10,075	14,463	\$ 15,000	\$ (537)
Employee benefits	783	1,119	1,300	(181)
Supplies	409	234	5,000	(4,766)
<b>Vehicle operations and maintenance</b>				
Motor fuel	<u>1,546</u>	<u>1,579</u>	<u>5,000</u>	<u>(3,421)</u>
<b>Total expenditures</b>	<u>12,813</u>	<u>17,395</u>	<u>\$ 26,300</u>	<u>\$ (8,905)</u>
Receipts over (under) expenditures	3,823	(349)		
Unencumbered cash, July 1	<u>12,972</u>	<u>16,795</u>		
Unencumbered cash, June 30	<u>\$ 16,795</u>	<u>\$ 16,446</u>		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2i**

SPECIAL PURPOSE FUNDS

FOOD SERVICES

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For Year Ended June 30, 2015

(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<u>2015</u>		<u>Variance Over (Under)</u>	
	<u>2014 Actual</u>	<u>Actual</u>	<u>Budget</u>		
<b>Cash Receipts</b>					
<b>Local sources</b>					
Student receipts lunch & breakfast	\$ 139,902	\$ 143,333	\$ 145,530	\$ (2,197)	
Adult and student sales	20,654	18,269	23,924	(5,655)	
Miscellaneous	59,687	59,308	65,000	(5,692)	
<b>State sources</b>					
Equalization aid	7,657	7,629	6,560	1,069	
<b>Federal sources</b>					
Child nutrition programs	555,640	615,936	578,995	36,941	
<b>Operating transfers</b>					
General	<u>0</u>	<u>616</u>	<u>60,000</u>	<u>(59,384)</u>	
Total cash receipts	<u>783,540</u>	<u>845,091</u>	<u>\$ 880,009</u>	<u>\$ (34,918)</u>	
<b>Expenditures</b>					
<b>Operations &amp; Maintenance</b>					
Purchased property services	0	0	\$ 5,000	\$ (5,000)	
Supplies	0	0	400	(400)	
<b>Food service operation</b>					
Salaries	304,073	309,469	325,000	(15,531)	
Employee benefits	59,960	76,740	69,000	7,740	
Supplies	412,049	460,546	475,000	(14,454)	
Repairs and maintenance	1,931	70	0	70	
Property	<u>5,777</u>	<u>8,136</u>	<u>23,713</u>	<u>(15,577)</u>	
Total expenditures	<u>783,790</u>	<u>854,961</u>	<u>\$ 898,113</u>	<u>\$ (43,152)</u>	
Receipts over (under) expenditures	(250)	(9,870)			
Unencumbered cash, July 1	<u>18,354</u>	<u>18,104</u>			
Unencumbered cash, June 30	<u>\$ 18,104</u>	<u>\$ 8,234</u>			

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

Schedule 2j

SPECIAL PURPOSE FUNDS  
PROFESSIONAL DEVELOPMENT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Other Reimbursements	\$ 0	\$ 0	\$ 0	\$ 0
<b>Operating transfers</b>				
Supplemental general	15,500	26,343	30,000	(3,657)
<b>Total cash receipts</b>	15,500	26,343	30,000	(3,657)
<b>Expenditures</b>				
<b>Instruction support staff</b>				
Salaries	0	7,560	\$ 0	\$ 7,560
Purchased property services	0	0	3,281	(3,281)
Other purchased services	15,465	13,180	10,000	3,180
Supplies	0	17	15,000	(14,983)
Property	0	0	10,000	(10,000)
<b>Total expenditures</b>	15,465	20,757	\$ 38,281	\$ (17,524)
Receipts over (under) expenditures	35	5,586		
Unencumbered cash, July 1	8,246	8,281		
Unencumbered cash, June 30	\$ 8,281	\$ 13,867		

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**Unified School District Number 367  
Osawatomie, Kansas**

Schedule 2k

SPECIAL PURPOSE FUNDS  
PARENT EDUCATION PROGRAM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<u>2015</u>		<u>Variance</u>
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Cash Receipts</b>				
<b>Operating transfers</b>				
Supplemental general	\$ 19,755	\$ 19,755	\$ 25,000	\$ (5,245)
<b>Expenditures</b>				
<b>Student support services</b>				
Other purchased services	19,755	19,755	\$ 25,000	\$ (5,245)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 21**

SPECIAL PURPOSE FUNDS  
SPECIAL EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<u>2015</u>		<u>Variance</u>
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Other	\$ 90,707	\$ 197,000	\$ 150,000	\$ 47,000
<b>Operating transfers</b>				
General	1,924,570	1,637,664	1,882,367	(244,703)
Supplemental general	<u>749,383</u>	<u>826,688</u>	<u>1,000,000</u>	<u>(173,312)</u>
Total cash receipts	<u>2,764,660</u>	<u>2,661,352</u>	<u>\$ 3,032,367</u>	<u>\$ (371,015)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	19,411	20,569	\$ 25,000	\$ (4,431)
Employee benefits	0	0	200	(200)
Payments to Special Education COOP	2,365,775	2,361,210	2,397,633	(36,423)
Supplies	20,515	17,134	185,000	(167,866)
Property	0	0	50,000	(50,000)
<b>Vehicle operating services</b>				
Salaries	33,720	137,966	139,200	(1,234)
Employee benefits	0	0	2,000	(2,000)
Purchased property services	0	0	42,600	(42,600)
Other purchased services	299,201	3,626	0	3,626
Motor fuel	37,651	38,470	52,800	(14,330)
Other	0	67,832	0	67,832
<b>Vehicle services &amp; maintenance</b>				
Purchased professional & tech services	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>(10,000)</u>
Total expenditures	<u>2,776,273</u>	<u>2,646,807</u>	<u>\$ 2,904,433</u>	<u>\$ (257,626)</u>
Receipts over (under) expenditures	(11,613)	14,545		
Unencumbered cash, July 1	<u>200,577</u>	<u>188,964</u>		
Unencumbered cash, June 30	<u>\$ 188,964</u>	<u>\$ 203,509</u>		

See Independent Auditor's Report.



**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2m**

SPECIAL PURPOSE FUNDS  
KPERs SPECIAL RETIREMENT CONTRIBUTION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>State Sources</b>				
KPERs	\$ 689,795	\$ 679,311	\$ 841,550	\$ (162,239)
<b>Expenditures</b>				
<b>Instruction</b>				
Employee benefits	459,250	448,063	\$ 527,953	\$ (79,890)
<b>Student support</b>				
Employee benefits	27,434	30,550	35,178	(4,628)
<b>Instructional support</b>				
Employee benefits	25,343	25,942	32,877	(6,935)
<b>General administration</b>				
Employee benefits	31,001	29,891	39,102	(9,211)
<b>School administration</b>				
Employee benefits	59,338	57,488	70,271	(12,783)
<b>Other supplemental services</b>				
Employee benefits	11,631	11,146	22,793	(11,647)
<b>Operations and maintenance</b>				
Employee benefits	37,183	35,527	50,901	(15,374)
<b>Student transportation services</b>				
Employee benefits	12,989	14,278	24,287	(10,009)
<b>Food services</b>				
Employee benefits	25,626	26,426	38,188	(11,762)
<b>Total expenditures</b>	<u>689,795</u>	<u>679,311</u>	<u>\$ 841,550</u>	<u>\$ (162,239)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2n**

SPECIAL PURPOSE FUNDS  
VOCATIONAL EDUCATION PROGRAM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		<b>Variance</b>
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Miscellaneous	\$ 7,000	\$ 0	\$ 10,000	\$ (10,000)
<b>State sources</b>				
State Aid	14,068	4,537	19,505	(14,968)
<b>Operating transfers</b>				
General	211,010	140,000	250,000	(110,000)
Supplemental general	<u>0</u>	<u>61,922</u>	<u>0</u>	<u>61,922</u>
<b>Total cash receipts</b>	<u>232,078</u>	<u>206,459</u>	<u>\$ 279,505</u>	<u>\$ (73,046)</u>
<b>Expenditures</b>				
<b>Instruction support staff</b>				
Salaries	172,144	176,823	\$ 180,750	\$ (3,927)
Employee benefits	12,011	13,312	14,500	(1,188)
Purchased professional and technical services	13,940	7,857	20,000	(12,143)
Supplies	927	(66)	15,545	(15,611)
Property	0	0	10,000	(10,000)
<b>Student transportation services</b>				
Salaries	19,835	8,533	20,210	(11,677)
Motor fuel	<u>13,221</u>	<u>0</u>	<u>18,500</u>	<u>(18,500)</u>
<b>Total expenditures</b>	<u>232,078</u>	<u>206,459</u>	<u>\$ 279,505</u>	<u>\$ (73,046)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 20**

**SPECIAL PURPOSE FUNDS**

**GIFTS AND GRANTS FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**

**REGULATORY BASIS**

**For Year Ended June 30, 2015**

**(With Comparative Actual totals for the Prior Year Ended June 30, 2014)**

	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Cash Receipts</b>		
<b>Local sources</b>		
Donations	\$ <u>205,178</u>	\$ <u>227,613</u>
Total cash receipts	205,178	227,613
<b>Expenditures</b>		
<b>General administration</b>		
Supplies	\$ <u>184,835</u>	\$ <u>220,726</u>
Receipts over (under) expenditures	20,343	6,887
Unencumbered cash, July 1	<u>44,695</u>	<u>65,038</u>
Unencumbered cash, June 30	\$ <u><u>65,038</u></u>	\$ <u><u>71,925</u></u>

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**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2p**

SPECIAL PURPOSE FUNDS  
CARL PERKINS GRANT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>State sources</b>		
Grants	\$ <u>10,836</u>	\$ <u>11,305</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Professional development	5,791	7,994
Supplies	<u>5,045</u>	<u>3,311</u>
Total expenditures	<u>10,836</u>	<u>11,305</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2g**

SPECIAL PURPOSE FUNDS  
CONTINGENCY RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Operating transfers</b>		
General	\$ <u>0</u>	\$ <u>62,154</u>
<b>Expenditures</b>		
<b>Operating transfers</b>		
Supplemental General	<u>0</u>	<u>17,277</u>
Receipts over (under) expenditures	0	44,877
Unencumbered cash, July 1	<u>155,123</u>	<u>155,123</u>
Unencumbered cash, June 30	\$ <u><u>155,123</u></u>	\$ <u><u>200,000</u></u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2r**

SPECIAL PURPOSE FUNDS  
TEXTBOOK & STUDENT MATERIALS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Local sources</b>		
Fees	\$ <u>10,540</u>	\$ <u>45,286</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Supplies	<u>10,583</u>	<u>53,383</u>
Receipts over (under) expenditures	(43)	(8,097)
Unencumbered cash, July 1	<u>10,333</u>	<u>10,290</u>
Unencumbered cash, June 30	\$ <u><u>10,290</u></u>	\$ <u><u>2,193</u></u>

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**Unified School District Number 367  
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**Schedule 2s**

SPECIAL PURPOSE FUNDS  
TITLE I  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Federal sources</b>		
Grants	\$ <u>281,656</u>	\$ <u>309,660</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	255,447	242,209
Employee benefits	15,317	17,825
Supplies	10,392	49,201
Purchased professional services	<u>500</u>	<u>425</u>
Total expenditures	<u>281,656</u>	<u>309,660</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2t**

SPECIAL PURPOSE FUNDS  
TITLE II A - TEACHER QUALITY  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Federal sources</b>		
Grants	\$ <u>62,459</u>	\$ <u>62,859</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	57,609	57,792
Employee benefits	<u>4,850</u>	<u>5,067</u>
Total expenditures	<u>62,459</u>	<u>62,859</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2u**

BOND AND INTEREST FUNDS  
BOND AND INTEREST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

		<b>2015</b>		
	<b>2014</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
	<b>Actual</b>			
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 591,786	\$ 577,612	\$ 580,207	\$ (2,595)
Delinquent	21,959	21,456	9,342	12,114
<b>County sources</b>				
Motor vehicle	80,489	84,849	77,899	6,950
<b>State sources</b>				
Equalization aid	<u>662,192</u>	<u>763,414</u>	<u>763,414</u>	<u>0</u>
Total cash receipts	<u>1,356,426</u>	<u>1,447,331</u>	<u>\$ 1,430,862</u>	<u>\$ 16,469</u>
<b>Expenditures</b>				
<b>Debt service</b>				
Bond principal	900,000	945,000	\$ 945,000	\$ 0
Interest	<u>424,429</u>	<u>468,730</u>	<u>468,730</u>	<u>0</u>
Total expenditures	<u>1,324,429</u>	<u>1,413,730</u>	<u>\$ 1,413,730</u>	<u>\$ 0</u>
Receipts over (under) expenditures	31,997	33,601		
Unencumbered cash, July 1	<u>646,151</u>	<u>678,148</u>		
Unencumbered cash, June 30	<u>\$ 678,148</u>	<u>\$ 711,749</u>		

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2v**

CAPITAL PROJECTS FUNDS  
CONSTRUCTION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Local Sources</b>		
Miscellaneous	\$ 3,480,140	\$ 0
Interest	<u>171</u>	<u>87</u>
Total cash receipts	<u>3,480,311</u>	<u>87</u>
 <b>Expenditures</b>		
<b>Facility acquisition and construction services</b>		
Miscellaneous	<u>3,321,659</u>	<u>158,739</u>
Total expenditures	<u>3,321,659</u>	<u>158,739</u>
Receipts over (under) expenditures	158,652	(158,652)
Unencumbered cash, July 1	<u>0</u>	<u>158,652</u>
Unencumbered cash, June 30	<u>\$ 158,652</u>	<u>\$ 0</u>

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2w**

BUSINESS FUNDS  
HEALTH INSURANCE  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2015  
(With Comparative Actual totals for the Prior Year Ended June 30, 2014)

	<u>2014</u>	<u>2015</u>
<b>Cash Receipts</b>		
<b>Other</b>		
Premiums	\$ 621,628	\$ 934,354
<b>Expenditures</b>		
Claims and administrative services	<u>485,544</u>	<u>701,011</u>
Receipts over (under) expenditures	136,084	233,343
Unencumbered cash, July 1	<u>0</u>	<u>136,084</u>
Unencumbered cash, June 30	<u><u>\$ 136,084</u></u>	<u><u>\$ 369,427</u></u>

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2x**

TRUST FUNDS  
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended June 30, 2015

<b>Expendable Scholarship Trust Funds</b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Carter Development Fund	\$ 16,106	\$ 910	\$ 400	\$ 16,616
K. R. Johnson Scholarship	1,035	4	500	539
Noel I. Ganoung Memorial	59	0	59	0
Rae Lynn Jones Scholarship	1,462	1,040	400	2,102
Twin Rivers Jazz Band Scholarship	12,289	1,353	250	13,392
Pepsi Scholarship	148	4	0	152
USD 367 Food Service Scholarship	9,224	719	0	9,943
Mac Steele Scholarship	5,059	11	0	5,070
Slayman/Elks Schol	1,677	40	500	1,217
Nadine Weber Memorial Scholarship	10,704	1,621	1,000	11,325
Silas/Hattie Whiteford Trust Scholarship	95,180	3,663	4,241	94,602
Willis McQueary Scholarship	875	11	500	386
Whiteford Education Foundation	3,426	97	0	3,523
Hawkins Scholarship	23,363	102	1,000	22,465
Cindy Schwarz Scholarship	888	1,014	1,000	902
Osawatomie VFW Scholarship	13,825	1,341	750	14,416
Class of 1974	7,252	1,251	500	8,003
Anon Demolay	0	1,324	0	1,324
<b>Total Expendable Scholarship Trust Funds</b>	<b>\$ 202,572</b>	<b>\$ 14,505</b>	<b>\$ 11,100</b>	<b>\$ 205,977</b>

<b>Permanent Scholarship Trust Funds</b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Architecture Engineer Scholarship	\$ 63,594	\$ 186	0	\$ 63,780
Appenfeller Memorial Scholarship	10,667	46	0	10,713
Harold D Barnhart Memorial Scholarship	68,654	1,368	2,000	68,022
H. Dean Brown Memorial Scholarship	1,846	45	500	1,391
Marie Cherry Scholarship	8,248	16	200	8,064
William & Nadine Eddy Scholarship	13,701	843	300	14,244
George & Ann Graham Scholarship	78,814	1,338	900	79,252
Lois Hanna Kinkead Memorial Scholarship	24,315	3,014	500	26,829
Roy & Mary McDaniel Scholarship	14,282	231	400	14,113
John Vasquez Memorial Scholarship	21,975	3,166	1,000	24,141
VFW Auxiliary Scholarship	4,296	18	200	4,114
Robert J. Wagers Memorial Scholarship	41,308	5,055	225	46,138
Bruce Waggoner Memorial Scholarship	22,628	67	500	22,195
Bertha & Irvin Walter Memorial Scholarship	13,872	236	150	13,958
Andrew Workman Scholarship	13,412	839	0	14,251
ONEA Teacher Scholarship	8,436	(2,249)	3,049	3,138
Melvin Stockwell Scholarship	18,603	2,075	500	20,178
Cavinee Scholarship	22,651	2,969	250	25,370

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2x**

TRUST FUNDS  
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended June 30, 2015

<b>Permanent Scholarship Trust Funds</b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
John/Arlene Shaw	\$ 67,396	\$ 8,117	1,000	\$ 74,513
Rotary Archie Parks Scholarship	32,129	4,938	1,000	36,067
Marilyn Winegar Scholarship	10,905	2,034	500	12,439
ONEA Teachers Scholarship	8,802	6,231	0	15,033
Royce Bray Scholarship	589,007	54,070	16,000	627,077
Lurene Swenson Memorial Scholarship	4,033	116	0	4,149
Dick Booe Scholarship	3,529	96	350	3,275
Zakoura Scholarship	1,785	35	1,000	820
Partners in Education	11,419	3,908	1,500	13,827
Craig Powell Scholarship	32	1	0	33
Frank & Rosie Bowker	5,232	2,445	4,000	3,677
Robert Kitchen Memorial	2,079	60	0	2,139
Joe Fenoughty	1,593	42	300	1,335
Lambert-Goodwin	52,746	2,514	500	54,760
Dustin Eaks	0	4,833	0	4,833
<b>Total Permanent Scholarship Trust Funds</b>	<b>\$ 1,241,989</b>	<b>\$ 108,703</b>	<b>\$ 36,824</b>	<b>\$ 1,313,868</b>
<b>Total Trust Funds</b>	<b>\$ 1,444,561</b>	<b>\$ 123,208</b>	<b>\$ 47,924</b>	<b>\$ 1,519,845</b>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 3**

**SCHOOL ACTIVITY FUNDS**

**CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
For the Year Ended June 30, 2015**

<u>Fund</u>	<u>Balance July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2015</u>
<b>Student Organization Accounts</b>				
O.H.S. Concessions	\$ 1,007	\$ 14,029	\$ 14,890	\$ 146
Rec Concessions	0	5,530	686	4,844
Catering Club	1,927	198	389	1,736
Elementary Yearbook Club	4,422	5,534	6,006	3,950
Yearbook Club O.H.S.	280	10,699	10,775	204
Yearbook Club O.M.S.	92	2,495	2,497	90
Journalism Club	3,215	1,945	2,051	3,109
Kansas Beef Council	0	150	150	0
Washington DC Club	10,617	68,267	71,372	7,512
Fellowship Christian Athletes	193	0	0	193
Art Club	489	1,234	1,182	541
O.M.S. Concessions	6,330	5,298	5,292	6,336
Lady Trojan Basketball	818	3,440	3,061	1,197
BB Club O.H.S.	310	1,746	1,097	959
Band Club O.H.S.	2,001	4,745	5,500	1,246
O.M.S. Band	1,148	4,404	4,658	894
O.M.S. Cheerleaders	240	0	100	140
Choir O.H.S.	3,336	6,072	6,899	2,509
Class of 2014	219	0	0	219
Class of 2015	1,090	2,782	3,872	0
Class of 2016	1,488	1,521	2,599	410
Class of 2017	1,139	777	59	1,857
Class of 2018	379	879	197	1,061
Class of 2019	0	555	309	246
Trojan Faculty Club	0	250	133	117
Faculty Club O.H.S.	157	442	148	451
FCCLA	341	1,384	917	808
O.M.S. Ambassadors	1,790	958	476	2,272
O.M.S. Reading Club	246	0	0	246
O.H.S. Kays	807	7,356	7,256	907
O.H.S. STUCO	3,832	9,970	10,699	3,103
O.H.S. Science Club	22,330	41,015	29,699	33,646
O.H.S. STAC	0	2,222	2,222	0
O.M.S. Faculty Club	20	0	0	20
O.M.S. STAC	10,644	15,832	17,108	9,368
2nd Grade Economics	6	360	366	0
Spanish Club	6,822	11,144	12,283	5,683
Swenson School STAC	3,197	5,258	3,480	4,975
Swenson School Faculty Club	588	0	305	283
O.H.S. Flag Corps	308	0	0	308

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 3**

**SCHOOL ACTIVITY FUNDS**

**CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
For the Year Ended June 30, 2015**

<u>Fund</u>	<u>Balance July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2015</u>
<b>Student Organization Accounts - continued</b>				
O.M.S. Drama Club	\$ 391	\$ 1,395	\$ 1,480	\$ 306
SADD Club	309	322	210	421
After Prom	5,610	12,178	15,597	2,191
BB MS Big Red Club	0	85	0	85
OHS Spirit Squad	2,010	14,176	13,640	2,546
Trojan STAC	3,341	8,222	8,865	2,698
Adult Ed Vending	847	208	260	795
Technology Club	1,065	15,977	15,770	1,272
FFA Club	4,289	6,653	6,069	4,873
Baseball Club	623	830	66	1,387
Wrestling Club	307	3,146	3,291	162
Watch D.O.G.S.	30	90	115	5
Football Club	1,213	2,099	756	2,556
Softball Club	0	2,422	2,142	280
Cross Country Club	234	668	780	122
High School Track Club	55	771	15	811
Weightlifting Club	148	0	0	148
HS Volleyball Club	352	4,871	3,374	1,849
Ladies Swim Club	663	692	672	683
<b>Total</b>	<b>\$ 113,315</b>	<b>\$ 313,296</b>	<b>\$ 301,835</b>	<b>\$ 124,776</b>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 4**

**DISTRICT ACTIVITY FUNDS**

**CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
For the Year Ended June 30, 2015**

<u>Fund</u>	<u>Balance July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2015</u>
<b>Fees and User Charges</b>				
Sales Tax	\$ 35	\$ 12,743	\$ 12,742	\$ 36
Board of Education	0	761	761	0
C/A Book Rental	0	48,148	48,148	0
C/A Ind Arts Club O.H.S.	0	1,696	1,696	0
C/A Now Account	0	606	606	0
	<u>35</u>	<u>63,954</u>	<u>63,953</u>	<u>36</u>
<b>Gate Receipts</b>				
Athletics	0	35,336	35,336	0
	<u>0</u>	<u>35,336</u>	<u>35,336</u>	<u>0</u>
 Total all Schools	 \$ <u>35</u>	 \$ <u>99,290</u>	 \$ <u>99,289</u>	 \$ <u>36</u>

See Independent Auditor's Report.



**Unified School District Number 367**  
**Osawatomie, Kansas**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2015

Federal Grant Pass Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Program Revenue Amount	Program Expenditure Amount
<b><u>U.S. Department of Agriculture</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
School Breakfast Program	10.553	N/A	\$ 189,532	\$ 189,532
National School Lunch Program	10.555	N/A	370,340	370,340
Cash for Commodities	10.555	N/A	40,701	40,701
Fresh Fruits and Vegetables	10.582	N/A	8,109	8,109
Summer Food Service Program for Children	10.559	N/A	7,254	7,254
TOTAL DEPARTMENT OF AGRICULTURE			615,936	615,936
<b><u>U.S. Department of Education</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
Title I Grant to Local Educational Agencies	84.010	DO367	309,660	309,660
Title IIA Teacher Quality	84.367	DO367	62,859	62,859
TOTAL DEPARTMENT OF EDUCATION			372,519	372,519
<b><u>U.S. Department of Health and Human Services</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
Youth Risk Behavior Survey	93.079	N/A	100	100
<b><u>Kansas Board of Regents</u></b>				
Career and Technical Education	84.048	N/A	11,305	11,305
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 999,860	\$ 999,860

See accompanying notes.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2015**

**NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of District under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of District, it is not intended to and does not present the financial position, changes in net assets or cash flows of District.

**NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in OMB Circular regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE C. SUBRECIPIENTS**

District did not provide federal awards to subrecipients for the year ended June 30, 2015.

## **SPECIAL REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Unified School district Number 367  
Osawatomie, KS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District Number 367, Osawatomie, KS, as of and for the year ended June 30, 2015, and the related notes to the financial statement, which collectively comprise the District's regulatory basis financial statement, and have issued our report thereon dated December 1, 2015. The District prepares its financial statement on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Opfer & Goedert, Chartered". The script is cursive and fluid, with the ampersand being particularly stylized.

Ottawa, Kansas  
December 1, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education  
Unified School District Number 367  
Osawatomie, KS

**Report on Compliance for Each Major Federal Program**

We have audited the District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

**Report Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Cyber & Sheddert, Chartered*

Ottawa, Kansas  
December 1, 2015

**Unified School District Number 367  
Osawatomie, Kansas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2015**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>No</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	<u>No</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.010	Title I Grants to Local Education Agencies	\$309,660
Dollar threshold used to distinguish between Type A and Type B programs		<u>\$ 300,000</u>
Auditee qualified as a low-risk auditee?		<u>Yes</u>

<b>Prior Year Schedule of Findings and Questioned Costs</b>	<b>None</b>
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## GRAPHS

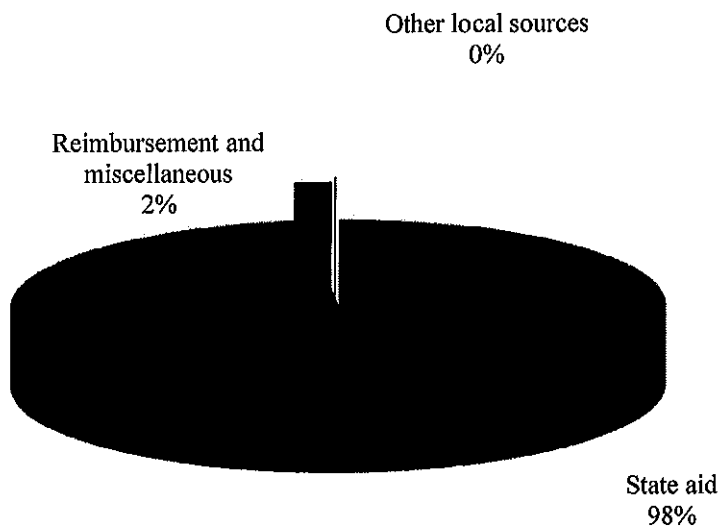
**Unified School District Number 367**

**Osawatomie, Kansas**

**GENERAL FUND REVENUES**

Year ended June 30, 2015

Other local sources	\$ 1,716
State aid	8,896,404
Reimbursement and miscellaneous	<u>162,411</u>
Total revenues	<u>\$ 9,060,531</u>



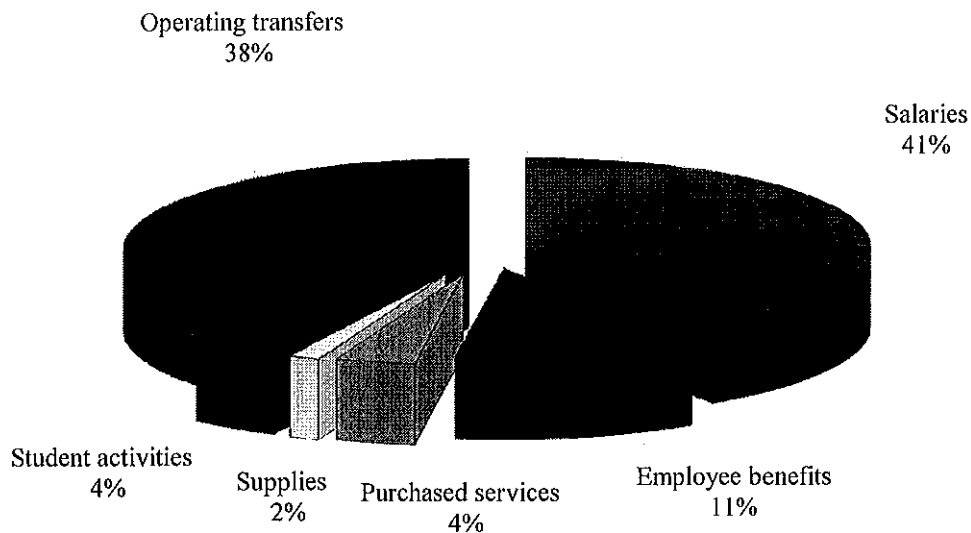
**Unified School District Number 367**

**Osawatomie, Kansas**

**GENERAL FUND EXPENDITURES BY TYPE**

Year ended June 30, 2015

Salaries	\$ 3,701,310
Employee benefits	1,032,650
Purchased services	342,016
Supplies	131,149
Student activities	388,576
Operating transfers	<u>3,464,830</u>
Total expenditures	<u><u>\$ 9,060,531</u></u>



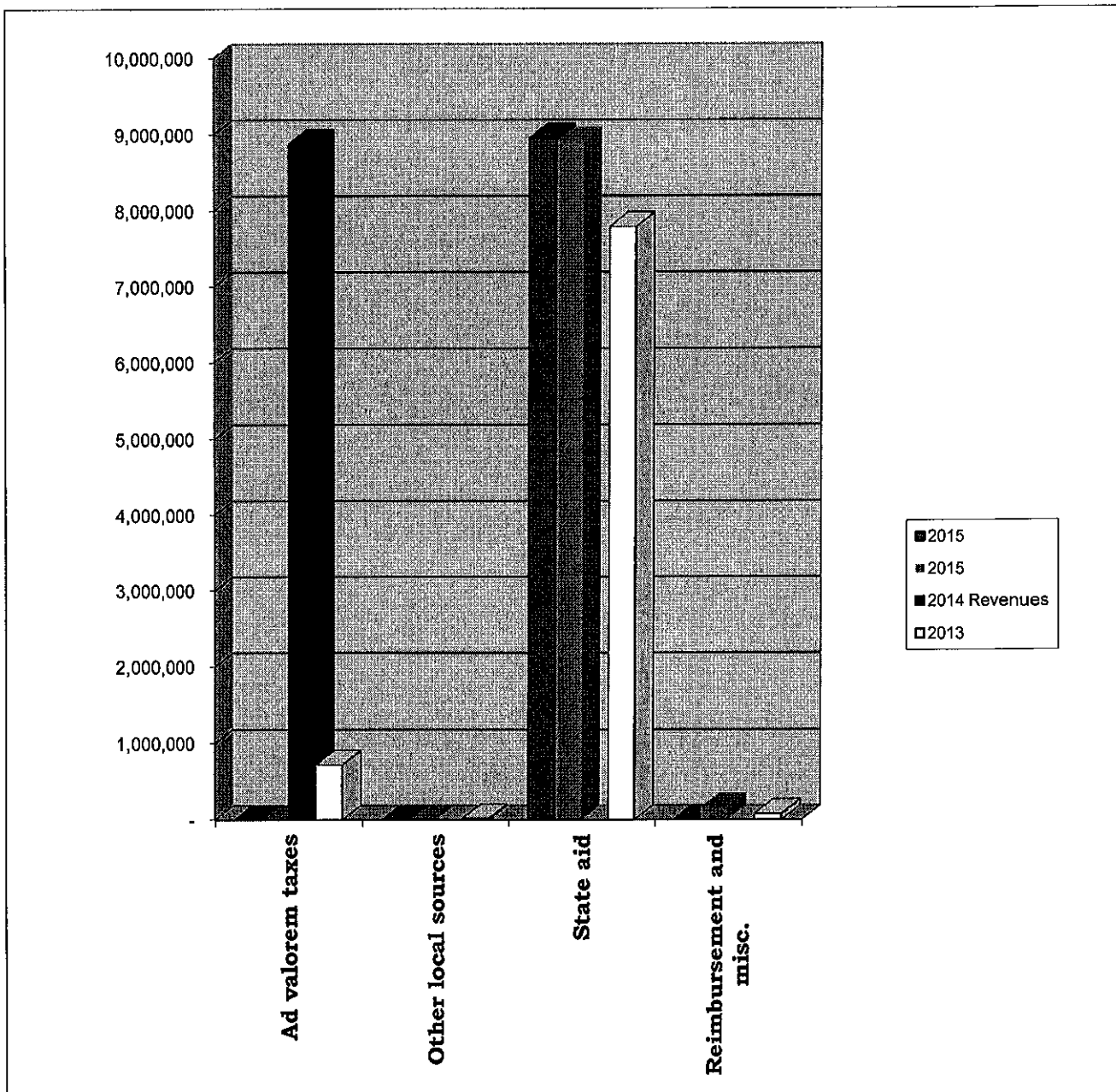
# Unified School District Number 367

Osawatomie, Kansas

## GENERAL FUND REVENUES AND BUDGET

Year ended June 30, 2015, 2014, and 2013

	2015	2015	2014	2013
Ad valorem taxes	-	-	723,914	718,924
Other local sources	-	1,716	25,405	16,797
State aid	8,948,966	8,896,404	7,936,459	7,781,569
Reimbursement and misc.	-	162,411	181,711	76,317
Total revenues	\$ 8,948,966	\$ 9,060,531	\$ 8,867,489	\$ 8,593,607



# Unified School District Number 367

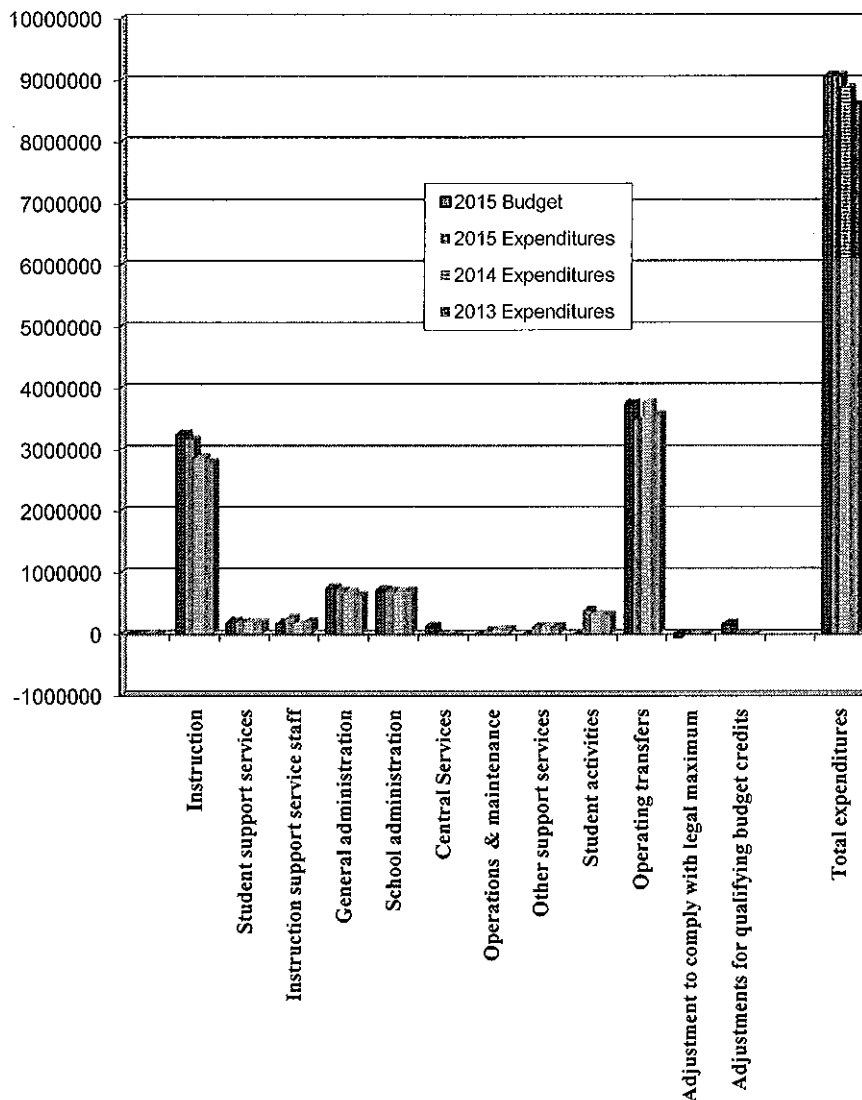
Osawatomie, Kansas

## GENERAL FUND EXPENDITURES AND BUDGET

Year ended June 30, 2015, 2014, and 2013

	2015 Budget	2015 Expenditures	2014 Expenditures	2013 Expenditures
Instruction	3,250,100	3,163,089	2,868,665	2,795,270
Student support services	198,700	196,383	188,840	182,994
Instruction support service staff	174,200	254,614	166,404	207,028
General administration	748,467	704,322	680,896	631,316
School administration	706,600	697,349	686,969	704,174
Central Services	123,532	-	-	-
Operations & maintenance	-	63,024	70,384	77,997
Other support services	-	128,344	119,459	118,635
Student activities	-	388,576	319,520	316,520
Operating transfers	3,747,367	3,464,830	3,766,352	3,559,673
Adjustment to comply with legal maximum	(50,846)	-	-	-
Adjustments for qualifying budget credits	162,411	-	-	-

Total expenditures \$ 9,060,531 \$ 9,060,531 \$ 8,867,489 \$ 8,593,607



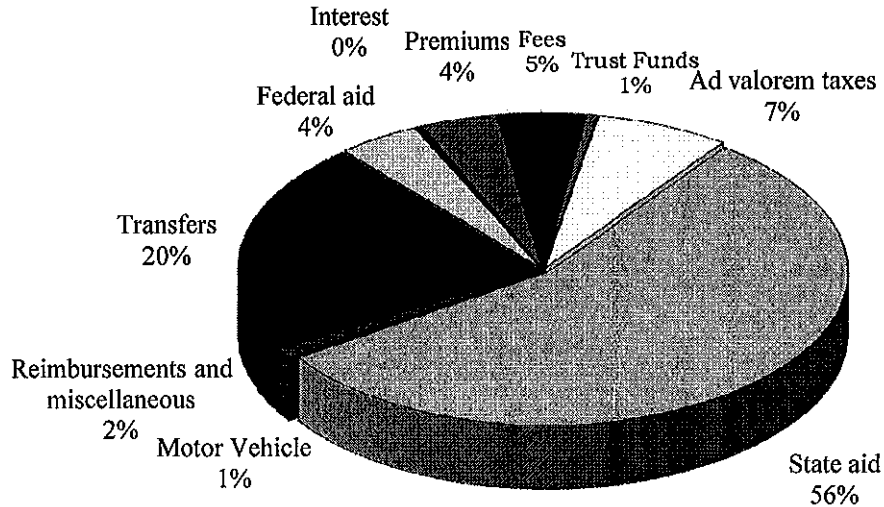
**Unified School District Number 367**

**Osawatomie, Kansas**

***REVENUES FOR ALL FUNDS***

Year ended June 30, 2015

Ad valorem taxes	\$ 1,640,794
State aid	12,528,603
Motor Vehicle	233,039
Reimbursements and miscellaneous	548,869
Transfers	4,416,814
Federal aid	999,760
Interest	81,006
Premiums	934,354
Fees	1,058,066
Trust Funds	123,208
	<hr/>
Total revenues	<u><u>\$ 22,564,513</u></u>



# Unified School District Number 367

Osawatomie, Kansas

## EXPENDITURES FOR ALL FUNDS

Year ended June 30, 2015

Instruction	1	8,746,157
Student support services	2	699,764
Instruction support service staff	3	585,164
General administration	4	1,034,048
School administration	5	754,837
Operations & maintenance	6	1,558,929
Other support services	7	151,300
Student activities	8	388,576
Operating transfers	9	4,416,815
Transporation	10	605,394
Facility acquisition & construction	11	465,867
Food service operation	12	881,387
Claims	13	701,011
Debt service	14	1,413,730
Trust Funds	15	47,924
Gate Receipts & Charges	16	99,289

Total expenditures \$ 22,550,192

